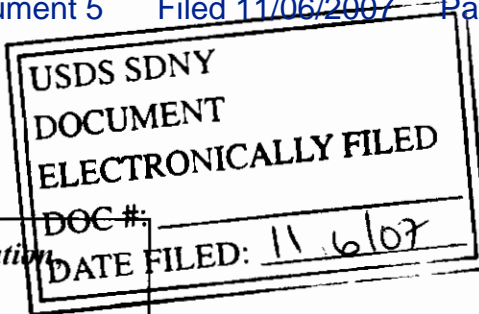


UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

**Capitol Records, Inc. a Delaware corporation,**  
Plaintiff,

-v-

**Direct Source a Canadian corporation,**  
Defendant.



Case No.07 cv 02995(RJS)

ORDER

RICHARD J. SULLIVAN, District Judge:

It having been reported to the Court that this action has been resolved,

IT IS HEREBY ORDERED, that this action is discontinued with prejudice but without costs; provided, however, that if the settlement is not consummated within 30 days of the date of this Order, any party may apply by letter within the 30 day period for restoration of the action to the calendar of the undersigned, in which event the action will be restored.

SO ORDERED,

A handwritten signature in black ink, appearing to read "Richard J. Sullivan".

RICHARD J. SULLIVAN  
UNITED STATES DISTRICT JUDGE

Dated: New York, New York  
November 6, 2007

SHEINDLIN & SULLIVAN, LLP

ATTORNEYS AT LAW

350 BROADWAY, 10<sup>th</sup> FLOOR  
NEW YORK, NEW YORK 10013

GREGORY E. SHEINDLIN  
JOSEPH J. SULLIVAN III

(646) 201-9120  
FAX: (212) 202-4378  
js@sheindlinsullivan.com

November 6, 2007

VIA EMAIL

Hon. Richard J. Sullivan  
United States Courthouse  
500 Pearl Street, Room 615  
New York, NY 10007

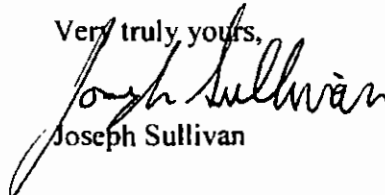
Re: Capitol Records, Inc. v. Direct Source  
(Case No. 07 CV 2995)

Dear Judge Sullivan:

I am writing on behalf of the parties in response to your order dated November 1, 2007 requesting that the parties submit a status letter regarding the above-referenced case. My client has conferred with Paul G. Marshall, Esq., counsel to defendant, and defendant joins in the below request.

The parties have agreed in principle to settle the above-referenced case and are in the process of completing the settlement documents and stipulation of dismissal with prejudice. Given that we anticipate completing the settlement documents within the near future, we request that the status conference scheduled for November 9, 2007 be canceled and the case management plan not be submitted as unnecessary.

Very truly yours,

  
Joseph Sullivan